A square graphic on the left side of the slide, divided diagonally from the top-left to the bottom-right. The top-right triangle is green, and the bottom-left triangle is black.

Bob Rivet
Executive VP and Chief Financial Officer

December 14, 2006

Agenda

- 2006 Review
- The New AMD
- Financial Update



2006 Review

Guidance

Result

Gain market share



2006 Review

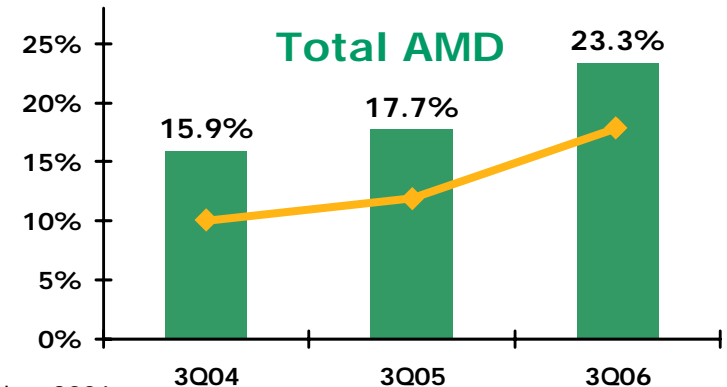
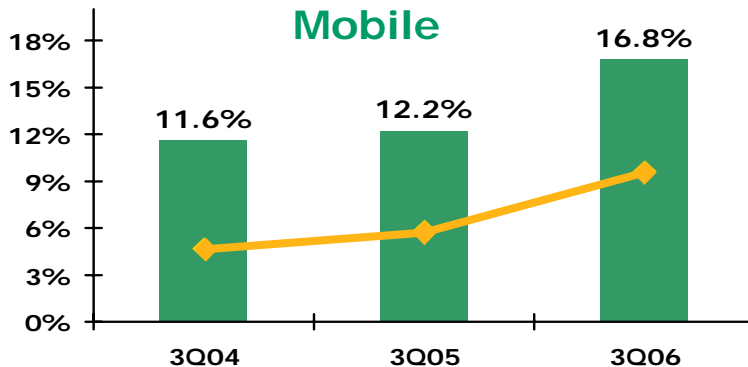
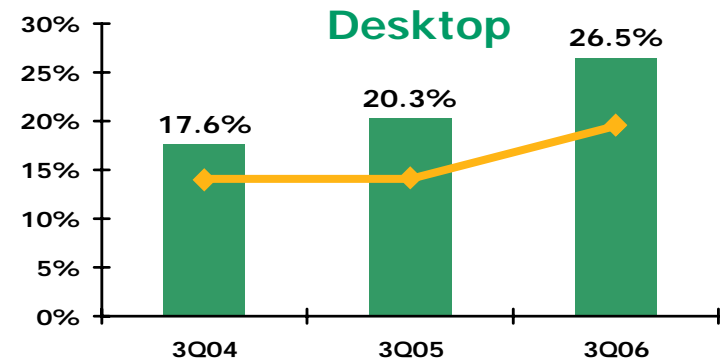
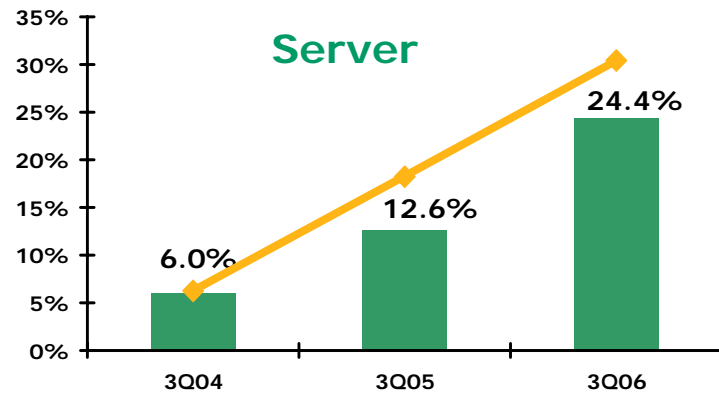
Guidance

Result

Gain market share

**Total AMD unit shipments
grew at 3X industry in 2006***

■ Unit ◆ (\$ Dollar)



Unit and Dollar Share thru Q3-06 Source: Mercury Research, October 2006

* AMD estimates and SIA 2006 PC Unit growth expectations

2006 Review

Guidance

Gain market share

**Grow in
commercial**

**Successful ramp in
manufacturing**

Result

- Server unit share up to 24.4%
- Desktop unit share up to 26.5%
- Mobile unit share up to 18.8%
- Total AMD unit share up to 23.3%

- Q3-06 AMD reported record OEM sales
- +60% of top 500 Forbes G2000 use AMD64
- HP and Lenovo launched first AMD client systems
- Dell launched AMD-based commercial clients

- Total YOY MPU capacity up 31%
- Fab 36 300mm production ramp on-target
- Initial 65nm shipments Dec-2006
- Additional flex capacity through Chartered

2006 Review

Progress to target
financial model

| | YTD, thru Q3 06 Target | | Status |
|------------------|------------------------|-----------|--|
| Revenue | 100% | 100% | |
| Gross Margin | 56% | 55% - 60% | { On-track |
| R&D | 21% | 18% - 23% | |
| SG&A | 22% | 12% - 16% | { Increased investment in expanding Commercial footprint |
| Operating Margin | 12% | 18% - 24% | |

Percentages shown above exclude ATI.

2006 Review

Guidance

Result

Gain market share

- Server unit share up to 24.4%
- Desktop unit share up to 26.5%
- Mobile unit share up to 18.8%
- Total AMD unit share up to 23.3%

Grow in commercial

- Q3-06 AMD reported record OEM sales
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Successful ramp in manufacturing

- Total YOY MPU capacity up 31%
- Fab 36 300mm production ramp on-target
- Initial 65nm shipments Dec-2006
- Additional flex capacity through Chartered

Progress to target financial model

- | | | |
|--------------------|----------|-------------------|
| • Gross Margin | 56% Q306 | On target |
| • R&D | 21% | On target |
| • SG&A | 22% | Working to target |
| • Operating Margin | 12% | Progressing |

We did what we said we would do!



The New AMD

Sustainable Prosperity

Goal

Strategy

**Sustainable
Prosperity**

**Drive the
Fundamentals**

- Revenue synergies
- Cost synergies

**Positioned
for
Success**

- Sales and marketing integration
- Design integration
- Manufacturing integration

AMD's leadership team is putting in place the right balance of initiatives to lead the company to sustainable prosperity.

Drive the Fundamentals

| | 2007 | 2008 |
|-------------------------|-----------------------------|-----------------------------|
| Revenue Synergies | \$80-160MM | \$200-400MM |
| Cost Synergies* | \$75MM ~\$150MM | \$125MM ~\$220MM |
| Total Pre-Tax Synergies | \$125MM ~\$200MM | \$350MM ~\$400MM |

We expect to enter 2007 dilutive, exit the year accretive, and be significantly accretive in 2008

* Excluding ATI acquisition-related charges for all periods.

Sales and Marketing Integration

- Single point of contact for each account
- Sales upside through common, complementary and new customers

AMD + ATI =
The New AMD

A leader in
microprocessors,
graphics, chipsets
and consumer
electronics.



Global Sales

- Integrated account coverage
- Geographic leverage
- Sales synergies
 - Product customers -> Portfolio

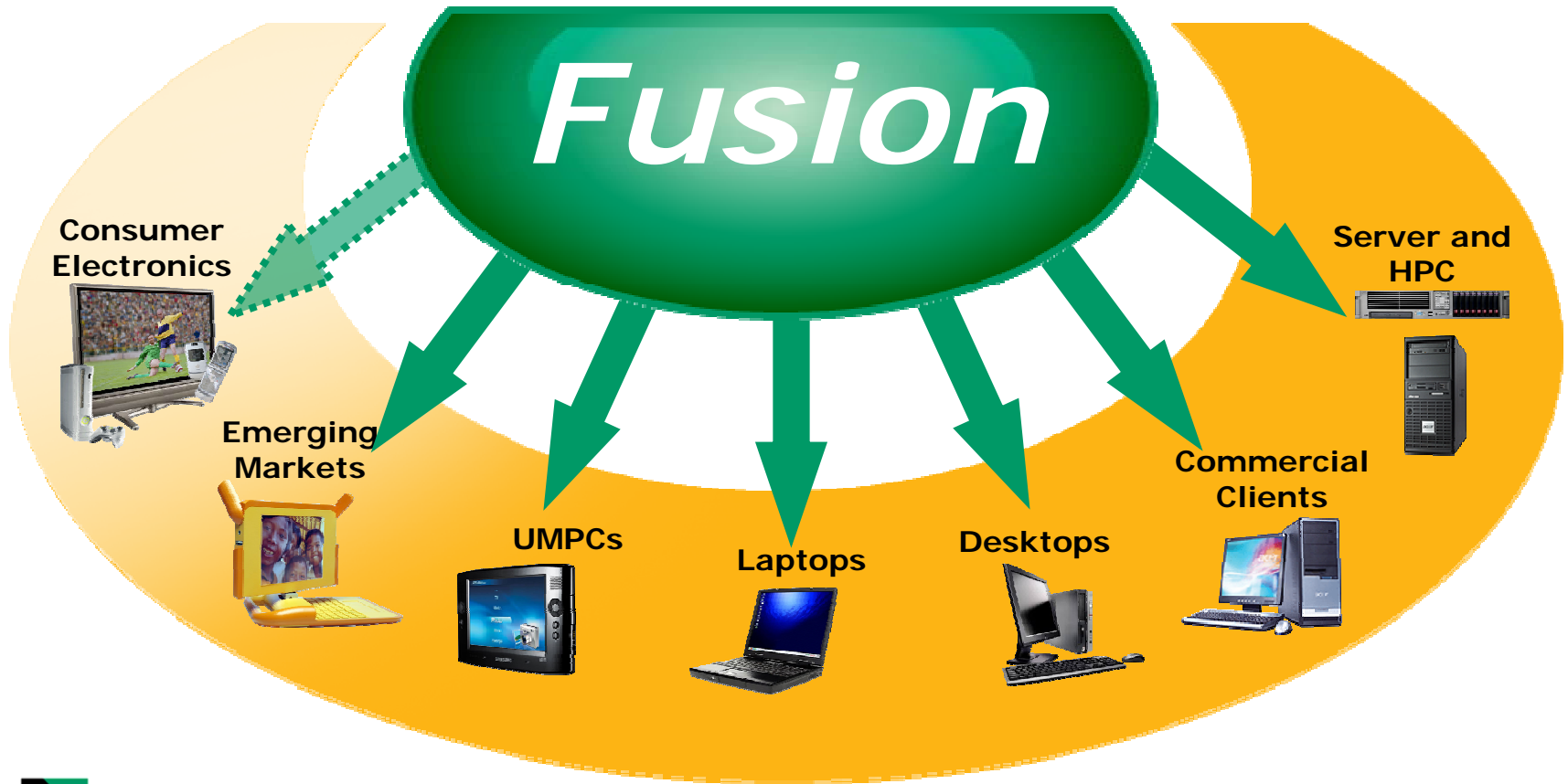
Global Marketing

- Single corporate brand
- Brands rationalized by market
- Integrated Go-To-Market campaigns
 - Debuts with Windows Vista™

Positioned for Success

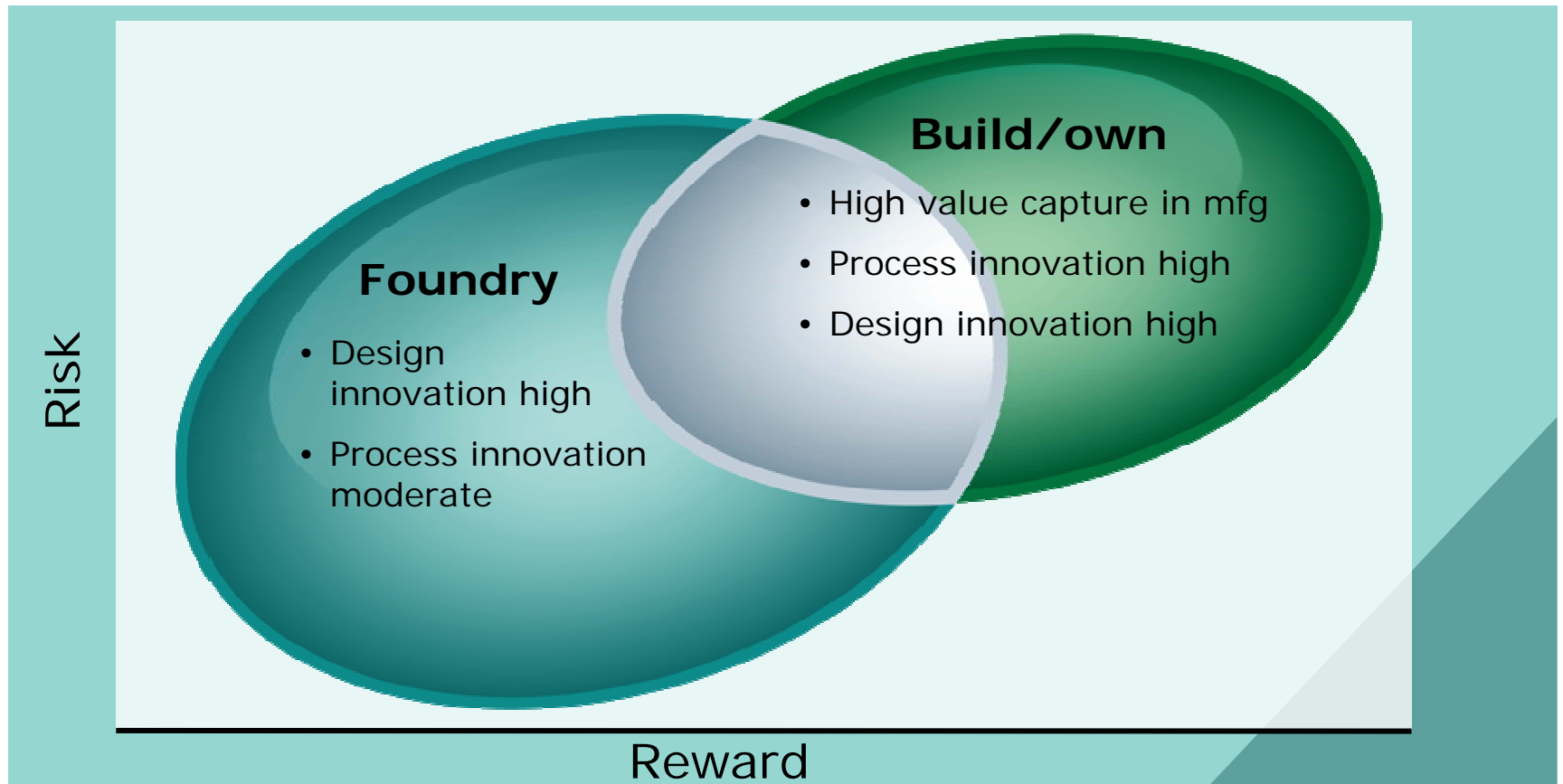
Design Integration

- Unified R&D team
- Fast track platform development
- New generation of process technology



Manufacturing Integration

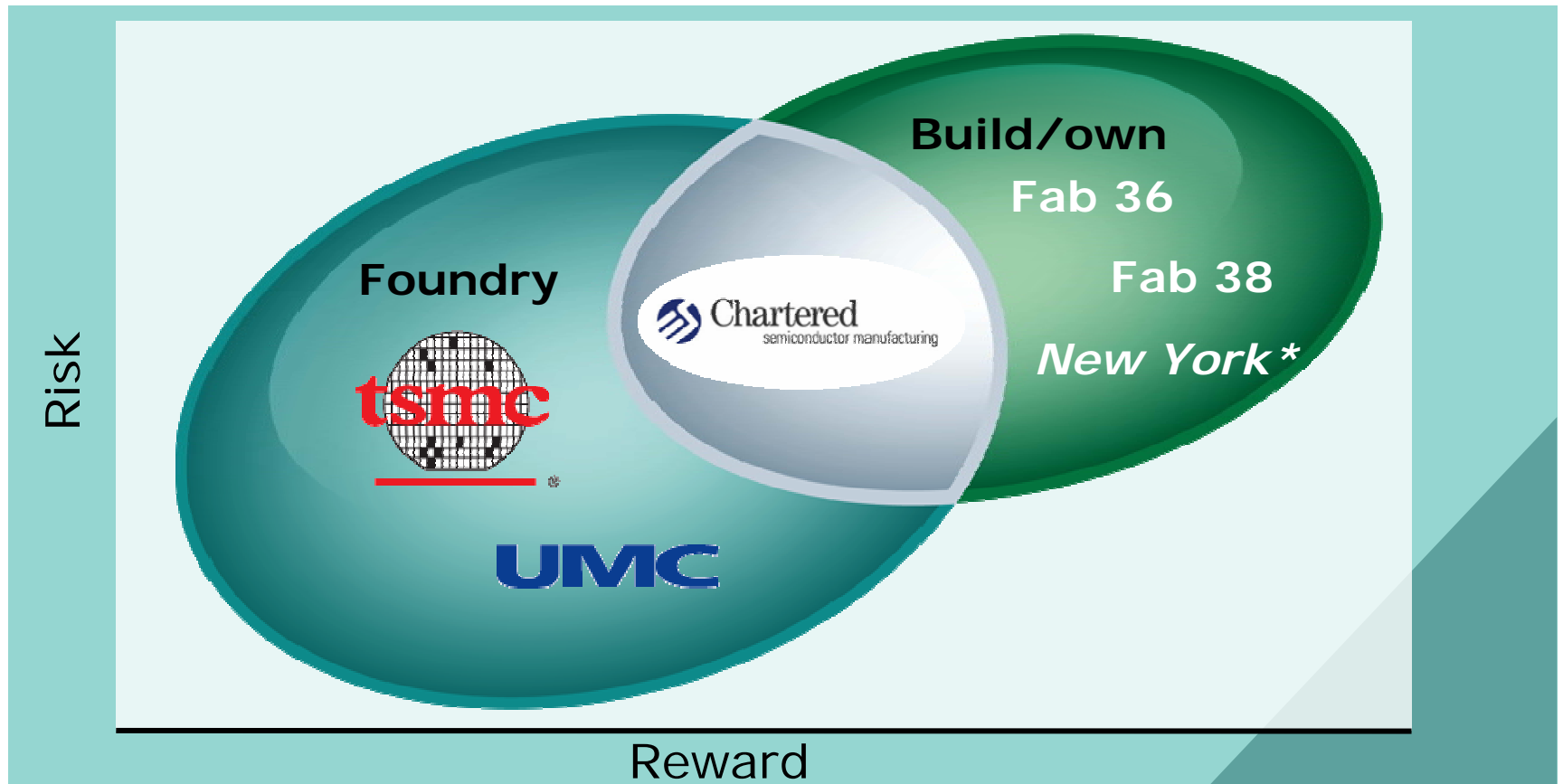
- “FlexFab” manufacturing
- Balance in-house capabilities and foundry relationships



Positioned for Success

Manufacturing Integration

- “FlexFab” manufacturing
- Balance in-house capabilities and foundry relationships



* Potential AMD Fab facility.

AMD Dresden

Continuing to Set the Standard

Fab 36

- 300mm microprocessor Fab
- Output continues to increase
- Currently transitioning to 65nm
- Expected to reach full 65nm conversion by mid-2007
- Ramped 65nm at mature yields with extremely low defect densities
- First 65nm production wafers left Fab36 in October 2006

Fab 30/Fab38

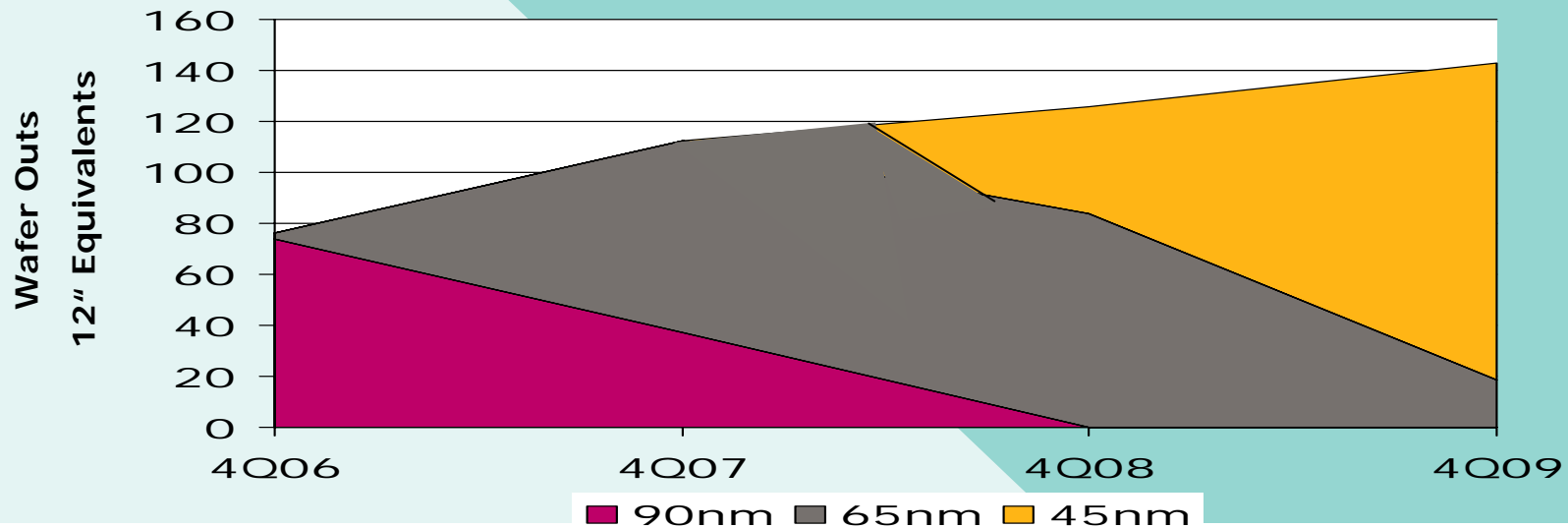
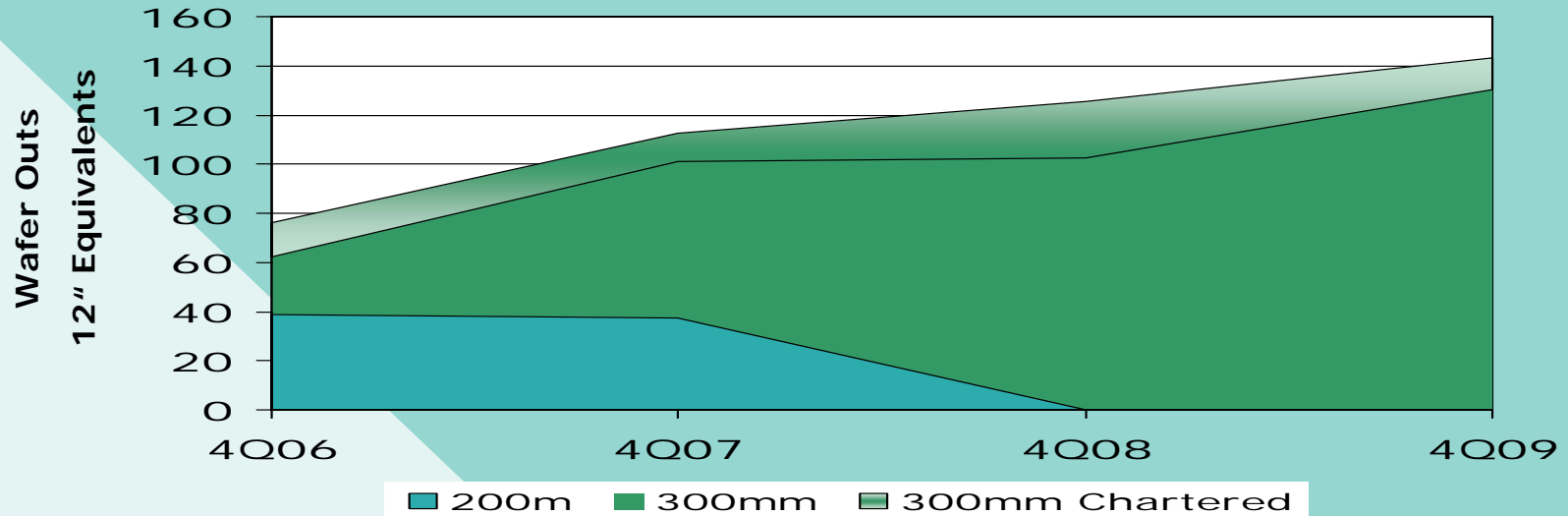
- 200mm microprocessor Fab with 300mm transition to Fab38 starting in 1H07
- New “Bump and Test” facility to be completed Q107



AMD Fab 36

**AMD Fab 30/
Fab38**

Driving 300mm and 65nm MPU Production



AMD estimates

AMD & New York State

Taking A Strategic View of Capacity

- Two year option to commit to constructing 300mm wafer Fab
- Fab construction could begin between July 2007 and July 2009
 - If committed to construction, could be fully operational between December 31, 2012 and December 31, 2014
- Overall incentive package is ~\$1.2B (front-end loaded)
 - Cash (grants, subsidies, tax credits) ~\$900M
 - Infrastructure ~\$300M

"FlexFab" in Action

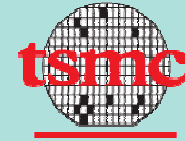


- All milestones achieved ahead of schedule at 300mm Fab
- In full 90nm production, powered by AMD's APM technology
- 65nm production-outs by mid-2007

300mm

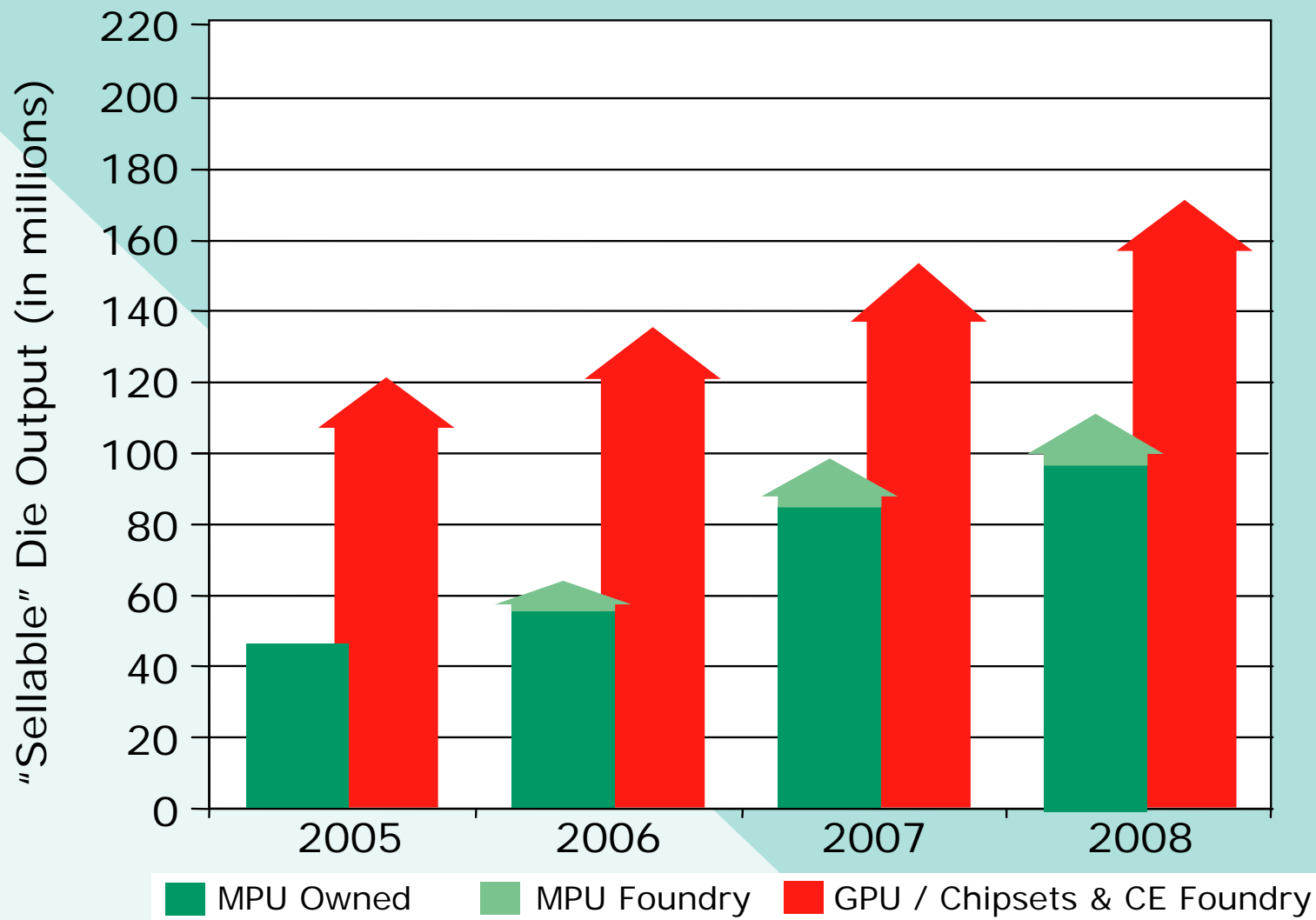
90nm

65nm



- Running high volume production in three different 300mm fabs
- In high volume production for 90/80nm at TSMC/UMC
- Designing actively in 65nm
 - 65nm prototypes are on track to ramp in 1H07

Executing for Maximum Advantage



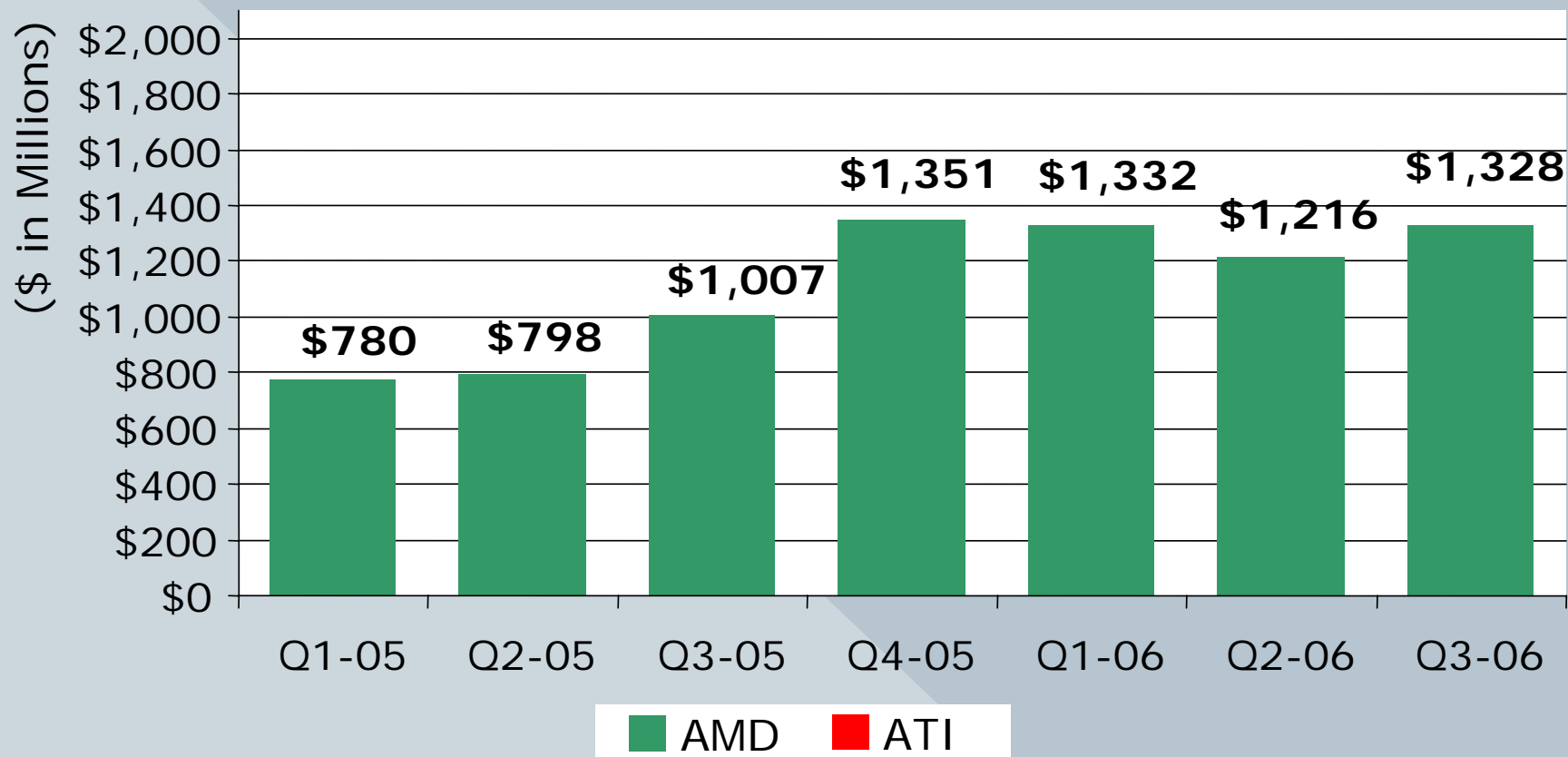
ATI Die Output is average 10x10 die size



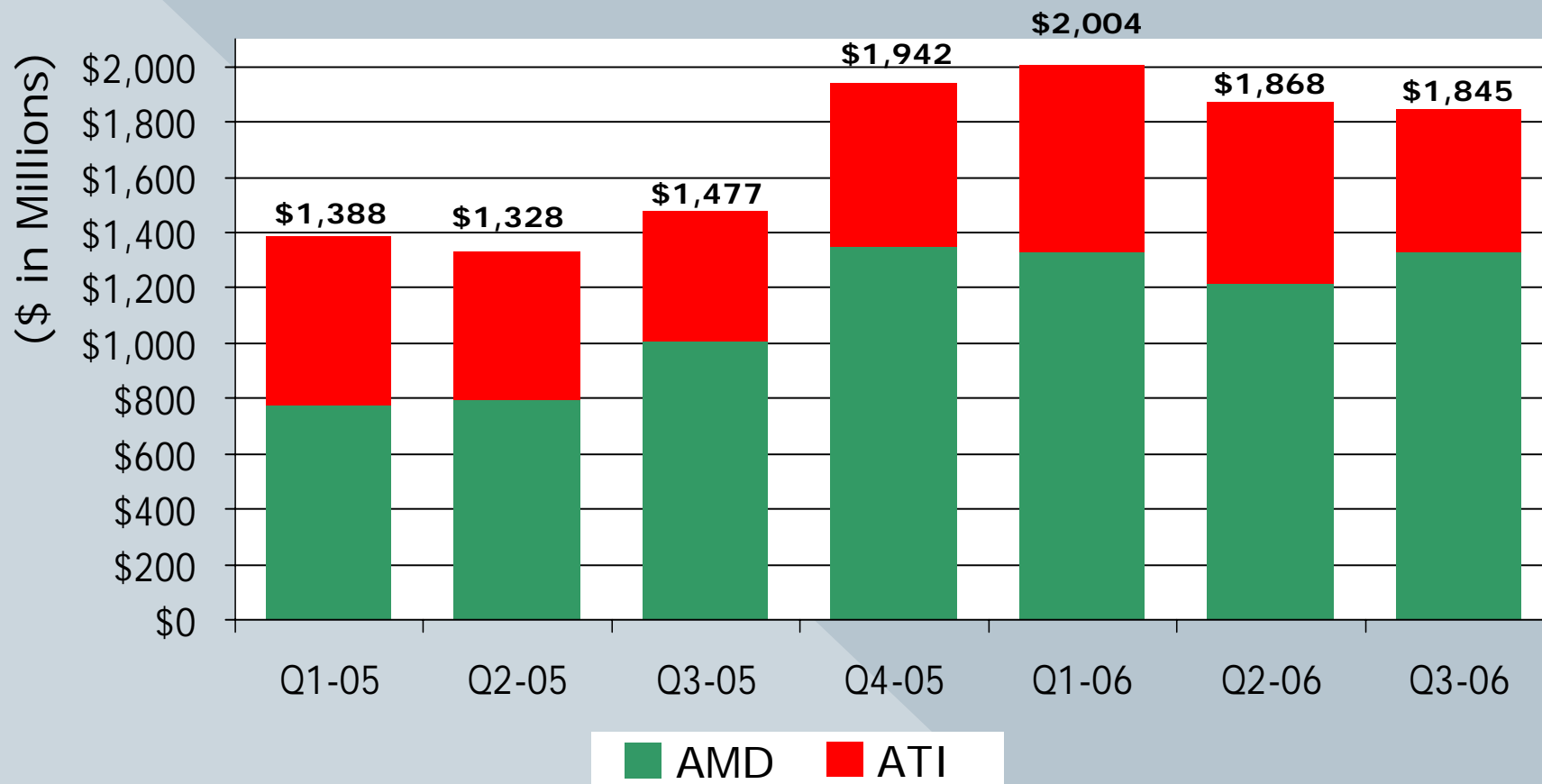
Financials

AMD's and ATI's reporting periods have been aligned as follows: AMD's Q3FY06, as reported, has been combined with ATI's Q4FY06; AMD's Q2FY06, as reported, has been combined with ATI's Q3FY06, as reported, etc. Last four quarters = AMD's Q4FY05 – Q3FY06; ATI's Q1FY06 – Q4FY06. AMD's financials, as reported, exclude the Memory Products segment. Historical ATI financials have been conformed to US GAAP.

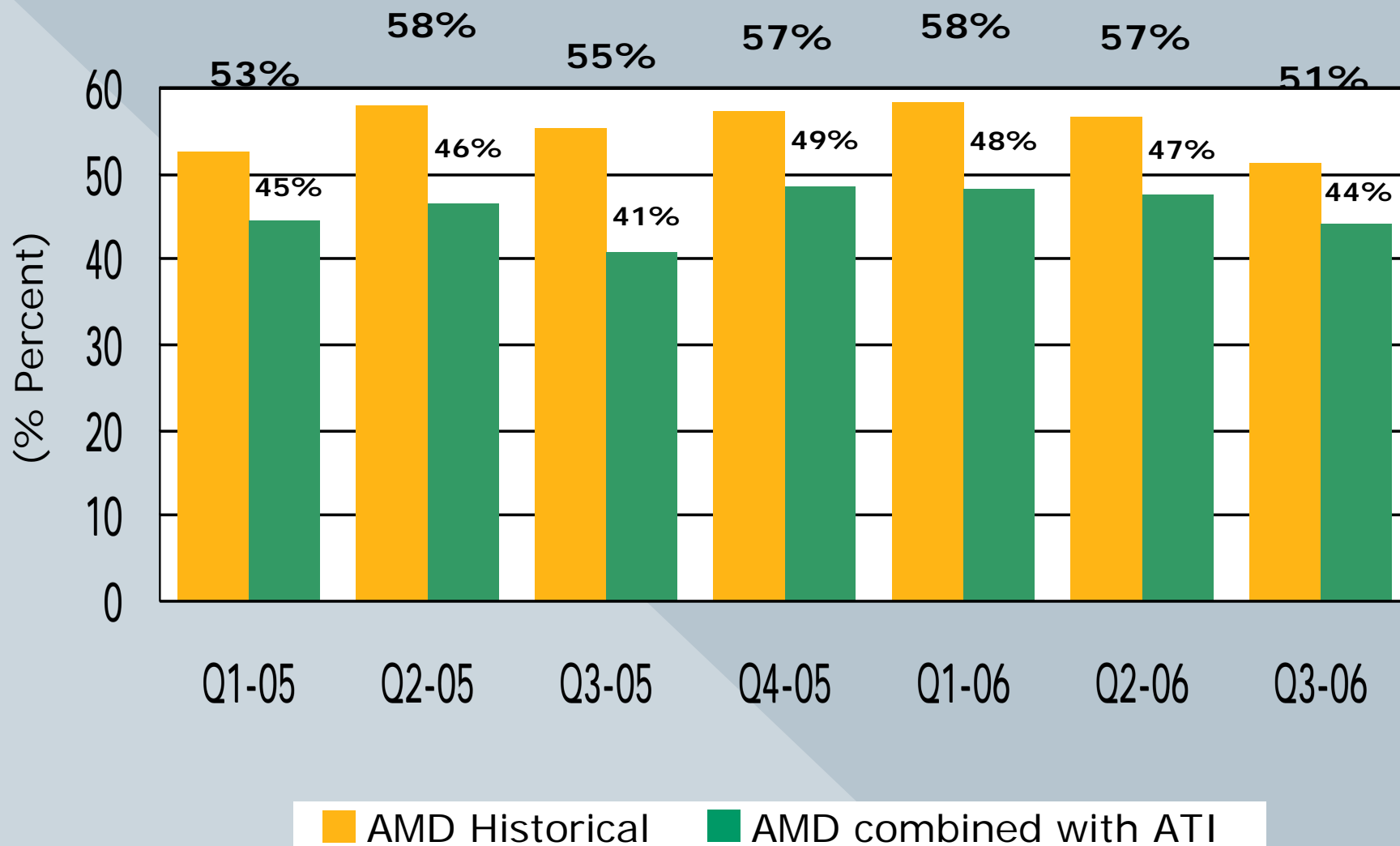
AMD+ATI Combined Quarterly Sales



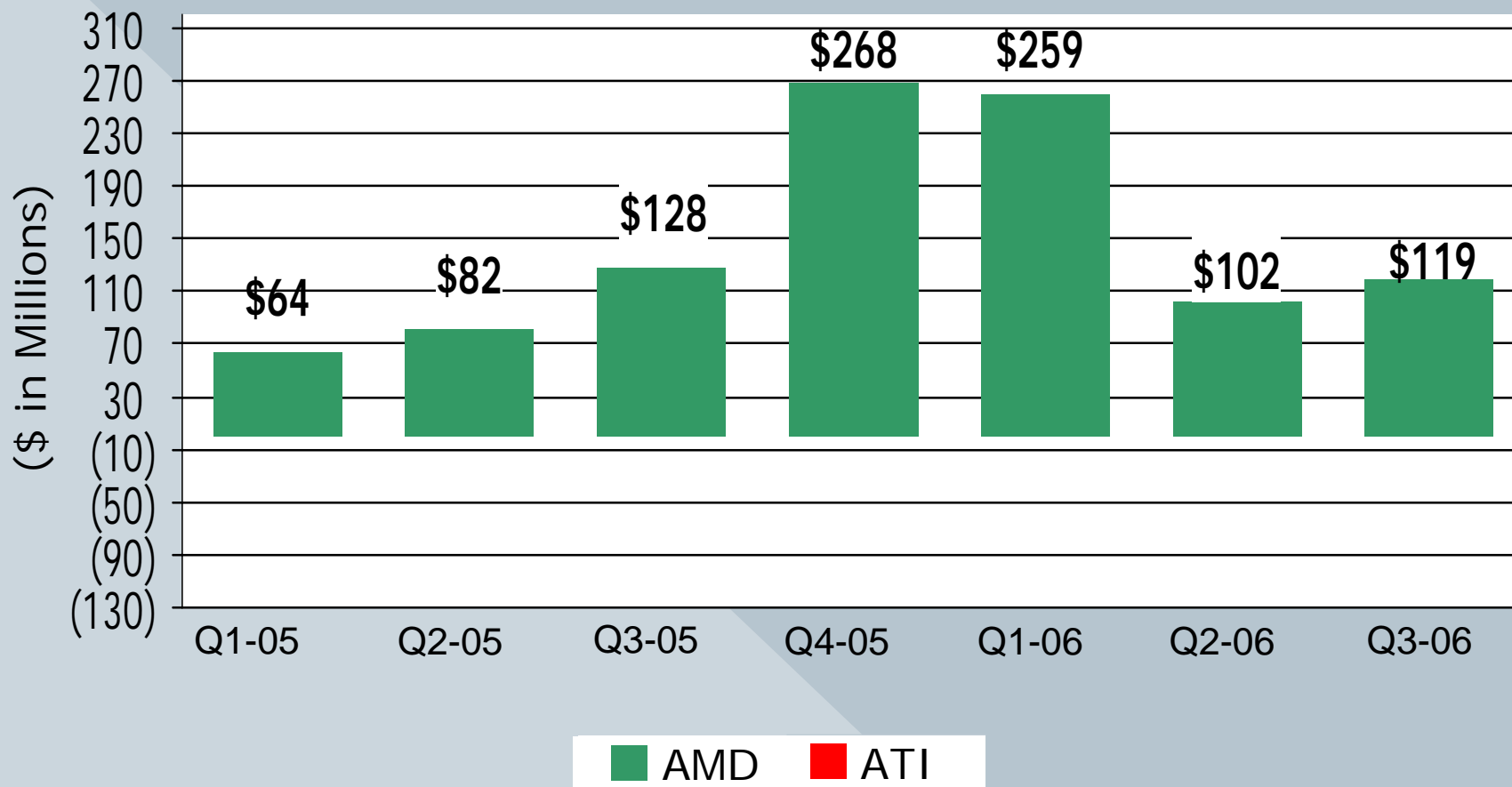
AMD+ATI Combined Quarterly Sales



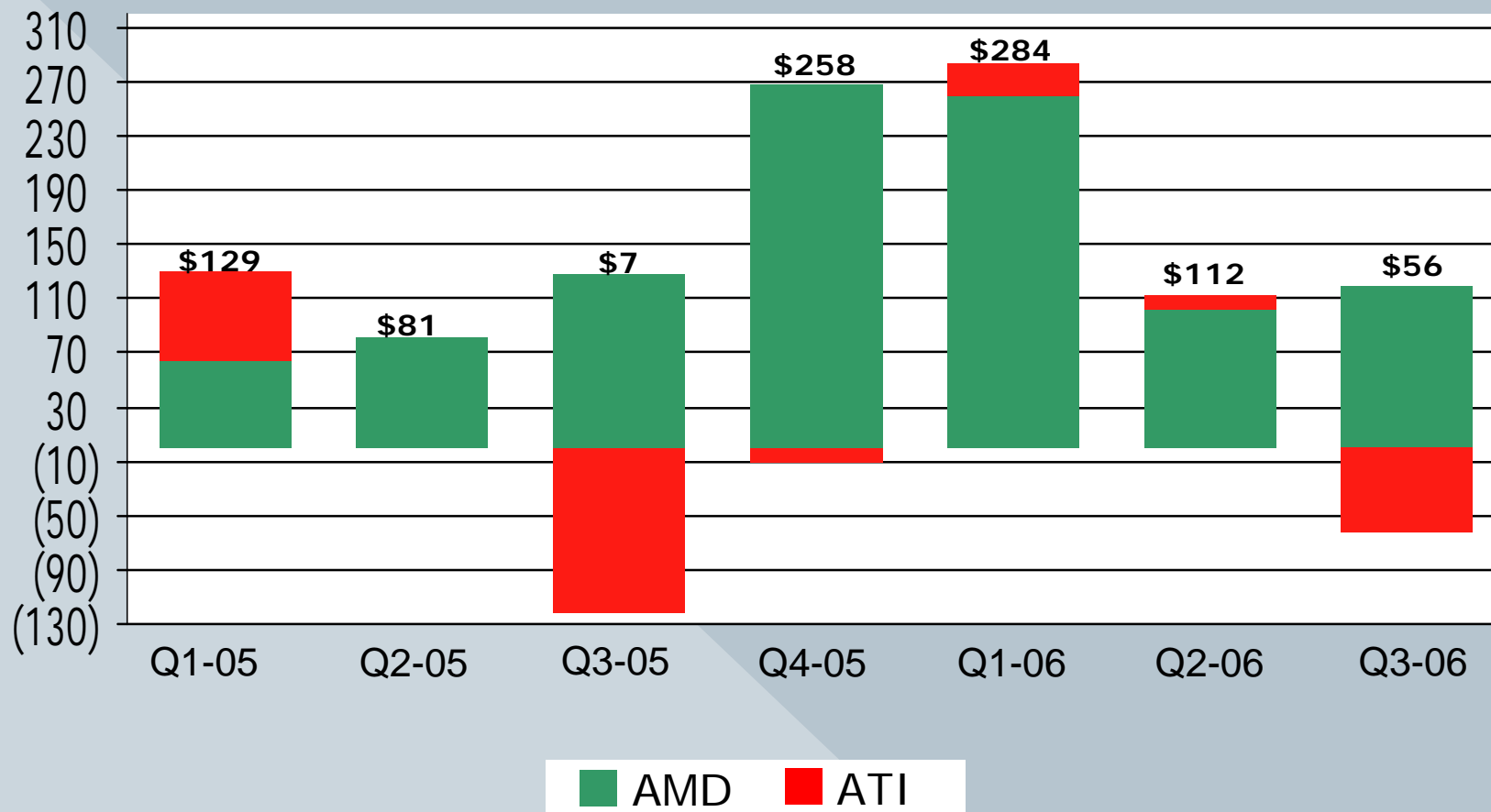
Gross Margin % of Sales



AMD + ATI Combined Operating Income



AMD + ATI Combined Operating Income

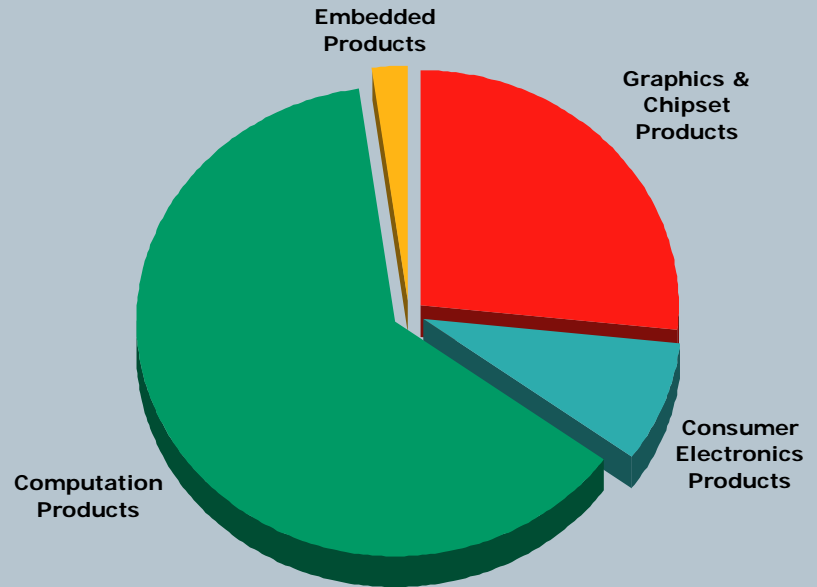


includes a favorable US GAAP adjustment of \$33M (FY05), unfavorable US GAAP adjustment of \$4M (FY06) and unfavorable investment of \$44M (FY05), \$37M (Q1FY06 – Q3FY06) and \$8M (Q4FY06).

Q4-06 Guidance

Q4-06 Segment Reporting:

- Computation Products
(MPU & AMD Chipsets)
- Embedded Products
- Graphics and Chipset Products
(former ATI PC segment)
- Consumer Electronics Products
(former ATI Consumer segment)

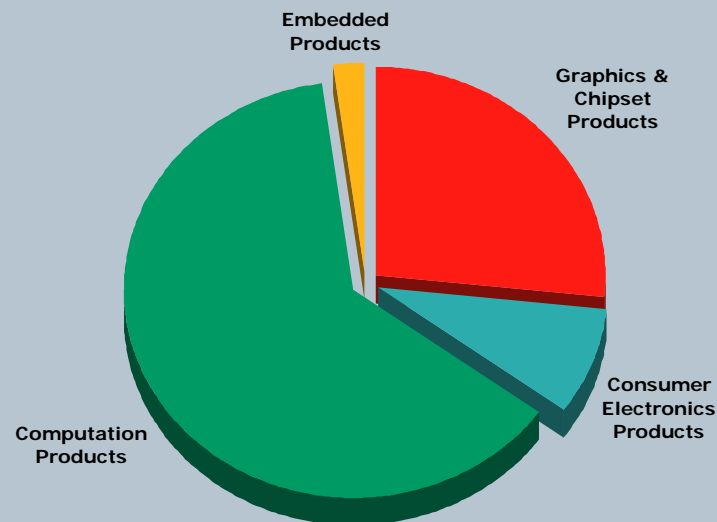


- Transaction closed on Oct 24, incremental ATI sales are expected to be ~\$350M - \$400M range
- Acquisition and integration related charges expected to be ~\$550M
 - In process R&D ~\$420M
 - Inventory ~\$50M
 - Acquisition related intangibles ~\$50M
 - Synergy related costs ~\$30M

Q1-07 AMD Segment Reporting Structure

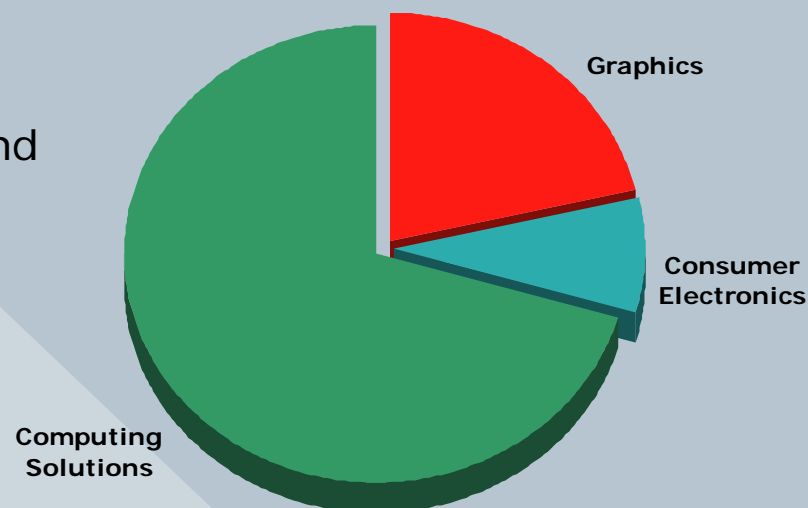
Q4-06 Segment Reporting:

- Computation Products (MPU & AMD Chipsets)
- Embedded Products
- Graphics and Chipset Products (former ATI PC segment)
- Consumer Electronics Products (former ATI Consumer segment)



As of Q1-07 Segment Reporting:

- Computing Solutions (MPU, Chipsets and Embedded Products)
- Graphics
- Consumer Electronics



New Q1FY07 reported segments are a result of change of review of financial performance of the segments by CODM starting Q1-07

Long-term Target Model: Computing Solutions

| | Last Four Quarters (Q405 – Q306) | Targets | |
|------------------|-------------------------------------|---------|---|
| Revenue (MM) | \$5,798 | | <ul style="list-style-type: none">• Penetration of DELL• Increase mobile sales with optimized graphics and media solutions• Low cost CPU-GPU platforms• Enterprise penetration |
| Gross Margin | 53% | 54-59% | <ul style="list-style-type: none">• 300mm ramp and 65nm transition |
| Operating Margin | 15% | 18-24% | <ul style="list-style-type: none">• Synergy related activities |

ATI chipset revenue was \$569M, gross margin was \$116M and operating loss was \$2M reflecting an unfavorable investment tax credit adjustment of \$10M (FY06). Historical AMD segment data excludes stock compensation and profit sharing expense (\$26M from gross margin and \$115M from operating margin).

Long-term Target Model: Graphics

| | Last Four Quarters (Q405 – Q306) | Targets | |
|------------------|-------------------------------------|---------|--|
| Revenue (MM) | \$1,313 | | <ul style="list-style-type: none">• VISTA – driving 3D graphics on desktops• Channel opportunities• Workstation and GP-GPU markets |
| Gross Margin | 23% | 32-37% | <ul style="list-style-type: none">• Die size reductions• Inventory management |
| Operating Margin | (3)% | 10-15% | <ul style="list-style-type: none">• Roadmap execution• Pricing discipline |

ATI Graphics operating loss includes an unfavorable investment tax credit adjustment of \$18M. Excludes stock compensation expense.

Long-term Target Model: Consumer Electronics

| | Last Four Quarters (Q405 – Q306) | Targets | |
|------------------|-------------------------------------|---------|--|
| Revenue (MM) | \$550 | | <ul style="list-style-type: none">•Multimedia adoption inside the cell phone•IDTV – FCC Transition•Royalty income growth |
| Gross Margin | 48% | 50-55% | <ul style="list-style-type: none">•Mix optimization•Manage product costs |
| Operating Margin | 17% | 17-22% | <ul style="list-style-type: none">•Operational efficiencies |

Consumer Electronics: ATI Handhelds, HDTV & Royalties

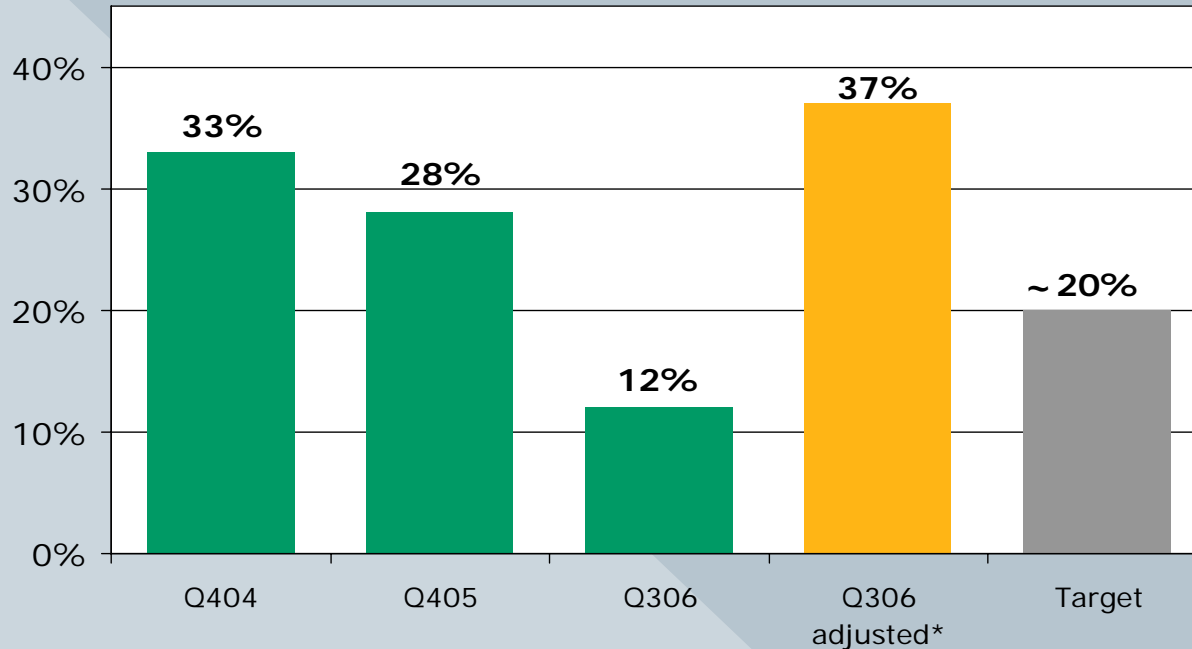
ATI Consumer Electronics operating income includes an unfavorable investment tax credit adjustment of \$17M . Excludes stock compensation expense.

Long-term Target Model: Total AMD

| | Last Four Quarters (Q405 – Q306) | Targets | |
|------------------|-------------------------------------|---------|--|
| Revenue (MM) | \$7,659 | 100% | <ul style="list-style-type: none"> • Increased mobile sales • New MPU enterprise business • Increase CE footprint • VISTA • Platformization |
| Gross Margin | 47% | 51-56% | <ul style="list-style-type: none"> • “FlexFab” strategy • 65nm transition • 300mm ramp • Improve graphics inventory management |
| R&D | 20% | 18-21% | <ul style="list-style-type: none"> • Engineering integration • Unified design teams |
| SG&A | 18% | 11-14% | <ul style="list-style-type: none"> • Leveraging marketing investments • Sales & marketing duplication elimination |
| Operating Margin | 9% | 18-24% | |

ATI operating income includes an unfavorable US GAAP adjustment of \$4M, reclass of \$51M stock compensation expense (\$1M gross margin, \$32M R&D and \$18M SG&A) and an unfavorable investment tax credit adjustment of \$37M (Q1FY06 – Q3FY06) and \$8M (Q4FY06).

Long-term Debt/Capital Target



Plan to reduce debt/capital ratio by:

- Spansion stock sales proceeds
- 200mm tool sales
- Improvements in working capital
- Using excess cash flow

Long-term debt/capital target of ~20%

AMD financial data as reported. Q3FY06 adjusted for \$2.5Bn Morgan Stanley Term Loan, \$645M Fab36 loan drawdown and issuance of ~58M shares of common stock in connection with ATI acquisition.

Debt-to-Capital ratio is calculated as follows: Total Debt (Long-term debt and capital lease obligations including current portion) divided by Total Capital (Total Debt plus Minority Interest plus Total Stockholders Equity).



Guidance

Industry

- Microprocessor and chipset unit demand, ~10%
- Graphics unit demand, ~5%
- DTV unit demand, ~44%
- Handheld unit demand, ~19%

AMD

- MPU unit growth, ~2X industry
- Graphics unit growth, at industry rate
- DTV unit growth, at industry rate
- Handheld unit growth, at industry rate

Key Actions:

- Increase commercial MPU footprint
- Maintain or increase MPU ASP
- Microsoft Windows VISTA™
- CPU/Chipset attach rate
- IDTV regulations

AMD estimates

2007 Guidance

| | Last Four Quarter Average | 2007 Targets |
|---|---------------------------|---------------------|
| Gross margin | 47% | 50% +/- 2pts |
| Depreciation and amortization | \$761M | ~\$1.3Bn |
| R&D (includes stock compensation expense) | 20% | 19% +/- 2pts |
| SG&A (includes stock compensation expense) | 18% | 16% +/- 2pts |
| Stock Compensation Expense | | ~\$135M |
| Tax | | 26% +/- 2pts |
| Capital Expenditures | | ~\$2.5Bn |
| Free Cash flow | | ~ (\$500M) |
| Acquisition and integration related charges | | ~ \$380M |
| Acquisition related intangibles | | ~\$330M |
| Synergy related costs | | ~\$50M |

Summary

- Executed solidly in 2006
- Operational structure in place
- Integration on-track
- “FlexFab” manufacturing strategy underway
- On path to accretion in 2008
- Positioned for success

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